

Dollars & Sense

from Indiana's Treasurer, Tim Berry

Spring 2001



Helping Families Helping Communities

-2001 Legislative Recap-

This past session of the Indiana General Assembly had all the earmarks of a volatile session. A new budget had to be crafted, and new legislative districts had to be drawn.

When I called my staff together for our final legislative meeting before session began, we were well aware of what could occur if the process broke down. But, we were confident that our agenda represented good public policy, and should be able to survive even the most contentious political fight.

Well, my staff and I were right and wrong. We were wrong in that the Statehouse did not become a battle ground, instead session was rather calm and done on time. We were right in that our agenda was seen as good public policy which would help families and the communities in which they live.

The first piece of my agenda, HB 2108, involved the Indiana Family College Savings Plan (IFCSP), which I oversee as chairman of the Education Savings Authority.

Representative Sheila Klinker (D-Lafayette) and Senator Teresa Lubbers (R-Indianapolis) sponsored the IFCSP legislation, which called for a \$2,000 tax deduction for annual contributions to a plan account, and state tax exemption for account earnings.

These new tax advantages would not only encourage more families to begin saving early for the future costs of higher education, but would also increase the amount applied to higher education expenses.

Due to the state's current economic climate the tax deduction was removed from the bill. The tax exemption, having a less immediate fiscal impact, continued through the process, passing with unanimous support, and finally being signed by the Governor in late April.

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To Hoosier Taxpayers:


Welcome to the Spring issue of Dollars and Sense.

It has been a busy year thus far. My wife Kim and I welcomed our second son into the family in early February, we both feel very blessed with the birth of Colin, and are excited that our other son Ian will now have a full time goalie for hockey practice...in a couple of years.

In the midst of expanding the Berry family, my staff and I began working with legislators from across the state to pass meaningful legislation in an effort to help not only Hoosier families, but Indiana's communities. You can read more in depth about our legislative agenda in the following pages.

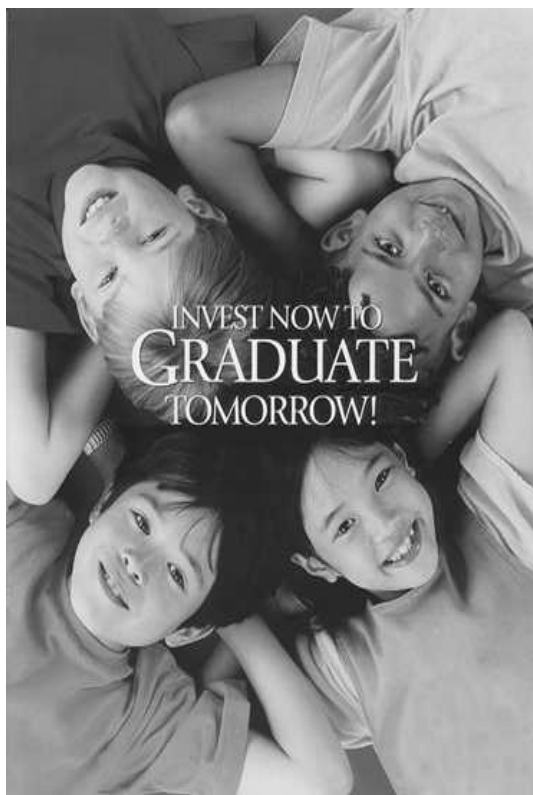
I hope you enjoy this issue of Dollars and Sense. As always, feel free to contact my staff with any questions.

Respectfully,


TIM BERRY

Treasurer of State

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Bond Bank
2001 Summer Tour
-Debt Issuance Seminars-

This summer, the staff of the Indiana Bond Bank and State Treasurer Tim Berry will be hitting the road for their summer debt issuance seminars.

The seminars are a great opportunity to learn about the various debt issuance programs the Bond Bank provides for governmental entities.

Staff members will discuss the Advance Funding Program, which offers a low borrowing rate with flexible draw down and pre-payment options, the competitive rates of the HELP program and the “AAA” insured Bond rating for long-term debt.

Seminar dates and locations are below. To reserve a spot at one of the seminars, or if you have questions, please contact the Indiana Bond Bank at (317)233-0888 or 1-800-535-6974.

2001 Bond Bank Seminars

- June 19th-Vincennes
Holiday Inn
- June 20th-Batesville
Sherman House
- June 27th-Ft. Wayne
Grand Wayne Center
- June 28th-Merrillville
Radisson Hotel @ Star Plaza
- June 29th-Indianapolis
Hyatt Regency

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The second piece of my agenda, SB 524, involved assisting cities and towns across Indiana with their unfunded police and fire pensions.

Over the next decade, these unfunded police and fire pensions will create a financial crunch in many of these communities. The potential size of this problem led many mayors to claim pension relief as their number one priority this legislative session.

The pension relief legislation, which was authored by Senator Luke Kenley (R-Noblesville) and sponsored by Representative Pat Bauer (D-South Bend), allows the annual interest earnings from the Public Deposit Insurance Fund(PDIF) to be distributed to communities to help cover a portion of their pre-1977 pension liabilities.

Over the past 11 years, the average investment return on the PDIF has been 5.5%, which would have resulted in \$16 million in available pension relief for Hoosier communities this past year.

The bill passed the legislature during the last weekend of session, and has now been signed into law.

With the help of legislators from across the state, we have provided a stronger vehicle for families saving today for the future costs of higher education, and helped Indiana’s cities and towns stand on firmer financial ground without raising taxes

To find more information on these bills visit www.in.gov/serv/lisa_billinfo.